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Automotive News

February 19, 1990

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Chrysler ads tout advantage vs. Japanese

By Raymond Serafin
and Patricia Strnad
CRAIN NEWS SERVICE

Lee Iacocca is rolling up his sleeves to take on the Japanese again.

Sources said Highland Park, Mich.-based Chrysler Corp.'s new corporate ad campaign, expected to debut in about a month, will feature pointed comparisons with Japanese products. Iacocca will appear at least in initial commercials. The campaign theme line, "Advantage Chrysler," is likely to find its way into divisional and dealer group advertising.

The new campaign was developed by corporate agency Bozell of Birmingham, Mich. But the overall idea grew out of the personal conviction of Iacocca — and other top Chrysler officials — that many American buyers routinely assume Japanese products are superior despite big improvements in the quality of U.S. products.

"We do have advantages. Big Chrysler advantages. You're going to be hearing a lot more of that in coming months," said Iacocca during a Feb. 13 press conference at which he also announced a fourth-quarter net loss of $664 million, much of that attributable to a $577 million one-time charge for restructuring operations.

Iacocca is expected to hit hard on the theme of Chrysler advantages vs. the Japanese during a 6-city schedule of meetings with press, business and community leaders beginning Wednesday, Feb. 21, in Washington.

The tour already has been criticized by the American International Automobile Dealers Association, which represents import dealers. Robert M. McElwaine, retired AIADA president, wrote in the February AIADA newsletter that he is suspicious of Iacocca's motives.

"Undoubtedly, coterie of congressmen and an assemblage of senators will be coaxed into attending Iacocca's dog-and-pony show and to hear more of Dr. Iacocca's economic doctrine, which is based on tilting the field against imports and transplants," McElwaine said.

Iacocca warmed up for the tour and the upcoming ad campaign in both his Highland Park press conference and in a Feb. 10 speech to the National Automobile Dealers Association in Las Vegas. "Too many Americans want to believe that 'made overseas' always means better than 'made in America,'" Iacocca said in the speech. "At Chrysler, we're not going to let that kind of crap go unchallenged any more."

The new approach comes in reaction to big gains in the U.S. market by Japanese-based auto companies, which together picked up 1.5 points of new vehicle market share in 1989, taking 21.9 percent. Chrysler's 1989 share of the new car and light-truck market dropped half a point, to 13.8 per-

see CHRYSLER, page 86

GM NO. 1

Big 3 picture brightens after '89 profit plunge

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

The worst of the financial downturn may be over for the Big 3, whose profits tumbled for the fourth quarter and all of 1989.

Car sales are improving and inventories are falling, which signals higher production as dealers replenish their stocks.

Charges taken by Ford Motor Co. for the sale of Rouge Steel and Chrysler Corp. for some of the costs associated with the layoff of white-collar workers are now behind them.

Chrysler, Ford, GM details, Page 85

Profits declined sharply for the domestic automakers in the fourth quarter and the year. The declines resulted from lower sales and the high cost of customer rebates in the first year in which Japanese transplant production topped a million.

Japanese cars — U.S.-built and imported — picked up 3 percentage points of market share, to 26 percent.

Each of the Big 3 complained of high incentive costs. Ford said rebates were $800 per car in the fourth quarter, up from $350 a year earlier.

And all three said lower volume hurt earnings.

For the first time in three years, GM posted higher profits than Ford.

Overseas operations helped buoy profits at Ford and GM. But profits for Ford's Financial Services Group and General Motors Acceptance Corp. dipped due to higher borrowing costs.

At Chrysler, net profit for 1989 was $359 million, down from $1.05 billion in 1988.

And red ink flowed in the fourth quarter. Chrysler lost $664 million, largely due to a $577 million charge for shutting two assembly plants, discontinuing two car lines, and costs associated with cutting the white-collar work force.

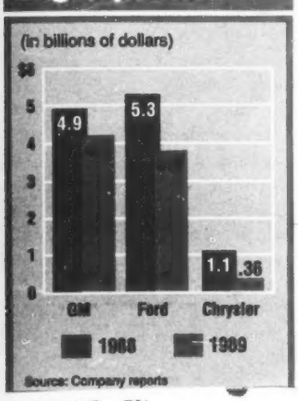
Even without the one-time charge, Chrysler would have lost $87 million in the fourth quarter because of incentives and lower car sales. Chrysler said per-vehicle incentive costs were $1,200 in the fourth quarter.

GM's profits dipped 49.9 percent to $700.2 million in the fourth quarter and fell 13 percent to $4.2 billion for the year.

Ford's profits sagged 73 percent to $314 million in the fourth quarter from $1.1 billion a year earlier. That was largely due to a write-down of $424.3 million for the sale of Rouge Steel.

For the year, Ford net income to $3.8 billion.

Big 3 profits



Candy Farricielli: "They are threatening us." AUTOMOTIVE NEWS/JOE WILSSENS

Some dealers storm out of Olds make meeting

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS — Several dealers stormed out in the middle of the Oldsmobile make meeting after a heated verbal exchange with Oldsmobile General Manager J. Michael Losh.

Dealers said the adversarial tone of the meeting came to a climax over a factory-to-dealer incentive program that was so convoluted that dealers did't understand it.

Losh angered some dealers with his responses at the meeting, held in conjunction with the annual convention of the National Automobile Dealers Association.

The heated tone may have been fueled by Oldsmobile's poor sales in the last several months. Oldsmobile sold 600,037 vehicles in 1989 — 16.11 percent fewer than the 715,270 it sold in 1988. Its market share dropped from 6.75 percent in 1988 to 6.08 percent.

A few days after the meeting, Oldsmobile reduced the price on its 1990 Cutlass Ciera. Effective Feb. 16, the Cutlass Ciera S coupe was reduced by $200 to $12,195 and the Cutlass Ciera S sedan was reduced by $500 to $12,495.

Also, under a central regional program that expires April 3,

see OLDS, page 3

NADA

No easy answers for weary dealers

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS — Last week's National Automobile Dealers Association convention here went into the books as the biggest, best-attended and most money-making convention in NADA's history.

But everywhere — in the convention hall, in the dealer make meetings and even at the carmakers' expensive soirees — the mood among the estimated 22,000 attendees was clearly down.

Sales are improving but are still slow; the dealer issues that 1989 NADA President Ron Tonkin assaulted for a year remained unresolved, and there was no reason to expect matters to change quickly.

Dealers said that many of their fellow retailers had failed to show despite strong early registrations by dealers and their spouses and managers. Exhibitors said exhibition floor traffic was thin at various times — especially after former President Reagan canceled his scheduled Tuesday afternoon speech.

And while workshops and seminars were packed, at least 21 exhibitors pulled out of the show. Exhibit cancellation fees totaled $58,000 this year, according to NADA figures, compared to none last year and $7,900 in 1988.

If last year's convention revealed that dealers were mad as hell at the factories and weren't going to take it anymore, this year's message was that there are no easy answers to problems facing the industry.

Dealer-factory animosity was still evident, particularly at the Oldsmobile make meeting, where several dealers stomped out in response to comments by General

see NADA, page 84

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Continued incentives, fleets drive sales up again

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Domestic car and truck sales spurted higher during Feb. 1-10, aided by fleet orders and strong consumer incentives.

Car sales were up 9.47 percent during early February and truck sales were up 4.83 percent.

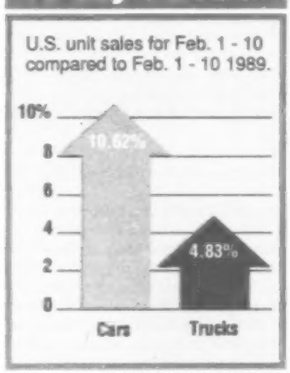
Auto manufacturers' decisions to sweeten their incentives in late December and roll them into January and February appear to be giving the industry a kick in the pants.

Traffic at dealerships has been improving, along with the moods of some dealers. Inventories have been coming down, and one Big 3 analyst said that, with the possibility of sustaining a stronger sales pace, further plant downtime may be eliminated.

Domestic manufacturers retailed 270,356 new vehicles during Feb. 1-10, up from 249,246 a year ago.

There were nine selling days in both periods.

10-day sales



AUTOMOTIVE NEWS / CHRISTINE BADER

Stronger sales of domestically built Ford Motor Co., General Motors, Mazda, Mitsubishi, Nissan and Toyota cars helped boost the auto sales total to 173,453 from 156,806 a year ago.

Truck sales, although up, suffered from the end of Chrysler Motors' minivan rebates in January, and the inevitable payback in lower February sales.

Chrysler's guaranteed rebate program also doesn't appear to be doing much for its sales.

Chrysler Motors' truck sales were off 16.54 percent during early February. Its car sales slid 8.45 percent.

Ford Motor and GM both enjoyed sales increases partly related to incentives and partly to fleet deliveries. Both companies had plants down for a good part of January which are now back in operation.

Ford Motor car sales were up 15.86 percent in early February, and its truck sales were up 10.85 percent.

GM car sales were up 6.71 per-

see SALES, page 86

10-DAY SALES DOMESTIC BUILT

CARS	Feb. 1-10, 1990	Feb. 1-10, 1989
Eagle	912	844
Chrysler	3,100	5,190
Dodge	8,351	9,150
Plymouth	5,768	4,620
CHRYSLER MTRS.	**18,131**	**19,804**
Ford	39,552	35,811
Lincoln	7,211	4,675
Mercury	9,973	8,485
FORD MOTOR	**56,736**	**48,971**
Buick	10,508	10,792
Cadillac	6,562	6,167
Chevrolet	32,821	27,098
Oldsmobile	17,956	14,606
Pontiac	12,392	16,528
GENERAL MTRS.	**80,239**	**75,191**
HONDA	**8,140**	**8,447**
MAZDA	**952**	**656**
MITSUBISHI	**621**	**358**
NISSAN	**1,629**	**1,489**
SUBARU	**14**	**—**

CARS	Feb. 1-10, 1990	Feb. 1-10, 1989
TOYOTA	**6,991**	**1,890**
U.S. CAR TOTAL	**173,453**	**156,806**
TRUCKS		
Chrysler	49	—
Dodge	10,581	12,681
Jeep	4,255	4,855
Plymouth	3,131	4,050
CHRYSLER MTRS.	**18,016**	**21,586**
FORD MOTOR	**35,881**	**32,368**
Chevrolet	31,847	29,378
GMC	6,952	6,978
Oldsmobile	680	—
Pontiac	567	—
GENERAL MTRS.	**40,046**	**36,356**
NISSAN	**2,960**	**2,130**
U.S. TRK. TOTAL	**96,903**	**94,440**
U.S. CAR-TRUCK TOTAL	**270,356**	**249,246**

There were 9 selling days in the period this year and last.

Peugeot itself takes sales job for Canada

By Steve Mertl
SPECIAL CORRESPONDENT

VANCOUVER, British Columbia — Peugeot's Canadian operations have changed hands for the third time in 10 years, underscoring the French automaker's continuing problem establishing a market base in the country.

Autolion Distribution Inc. of Toronto terminated its contract with Automobiles Peugeot at the end of January after poor 1989 sales, said Autolion President Dick Hammer.

He said an attempt to negotiate better terms with Peugeot failed.

Automobiles Peugeot is setting up an affiliate of its own in Canada to distribute cars, said a spokeswoman for Peugeot Motors of America. The new Canadian affiliate, which has not been yet named, will rely for logistic and technical support on Peugeot Motors of America, based in Lyndhurst, N.J.

Hammer, whose Dick Hammer Group owns several auto dealerships in Ontario and Quebec, said the 20 existing Peugeot dealerships sold only 223 cars last year. Autolion had forecast 1,200 sales.

"We lost too much money," said Hammer. "The car did not sell as projected."

No single factor scuttled Autolion, said Hammer. Peugeot's public image remained peripheral after two earlier forays into the market, first with a private importer, then in a five-year deal with Chrysler that ended in 1988, and finally Autolion.

"The public just didn't have confidence in either Peugeot or us," said Hammer, who plans to keep his two Peugeot stores.

Autolion imported only the less expensive 405 model line at prices of $24,000 to $33,000 Canadian ($20,170 to $27,730).

Peugeot's U.S. profile is also microscopic. The company sold only 6,054 cars in the United States last year, about half of them 405-S — which was supposed to be the breakthrough car for the North American market.

Automotive News Staff Reporter Jim Henry in New York contributed to this report.

VW, Audi set up incentive program for shop workers

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — Volkswagen and Audi are offering rewards to dealership employees who deal with customers.

The "Star Performance" program is designed to increase customer satisfaction and help dealers keep good backshop employees.

It is believed to be the first program to offer incentives to workers other than salespersons.

"We want the dealership's workers to share in the success of the brand by contributing to the success of the brand," said Joseph Bennett, spokesman for Audi of America Inc.

The year-long program began Jan. 1; dealers were of it in early February.

Early response to the program is positive. "I think it's a fantastic incentive program," said Ken Snell, service manager of Tracy VW-Porsche-Audi in Hyannis, Mass. "It's nice to be recognized for doing a good job working on cars that have become more and more complicated. It's a good incentive for good quality of service throughout."

Audi and Volkswagen United States Inc. will award quarterly prizes, such as credits redeemable for merchandise or individual travel awards, to top-performing front-line service people. Only those who are employed for the entire year — and who have completed VW and Audi certification tests — are eligible.

Since VW and Audi dealers do not have to spend money to participate in the program, close to 100 percent participation is anticipated. The cost is expected to be less than $3 million.

Employes will be evaluated through the companies' Consumer Satisfaction Tracking System surveys sent to new VW-Audi owners.

Evaluation areas include service satisfaction, business management, training recognition and bonus activity. All authorized VW and Audi dealers are eligible to enroll in the program.

VW and Audi will categorize dealerships based on size. VW-Audi dual dealerships in the same facility can compete in both programs.

Though service managers can be rewarded with expense-paid trips, they cannot qualify for service department employee awards.

To be eligible, service employees must work at least half their time on VW or Audi for the entire program year.

The service adviser and cashier will be judged on responses to the question: "Overall, how responsive was the service staff to your service needs?" The technician, shop foreman and dispatcher will be judged on responses to the question: "Were the repairs that you requested fixed right the first time?"

Under the service satisfaction category, additional points are given for overall customer service satisfaction, follow-up and vehicle pre-delivery inspection.

Business management personnel are evaluated on the completeness and accuracy of the monthly time summary submissions.

Technical training points are based on the percentage of master and registered technicians at a dealership.

Additionally, dealerships can earn points based on use of co-op advertising money, participation in promotional activities and participation in direct-mail programs.

The top service advisers can earn use of a new car for 12 months.

Other prizes range from $400 in award credits for cashiers to $1,000 in award credits for foremen/technicians and dispatchers. All credits are redeemable for merchandise or travel awards.

AUTOMOTIVE NEWS/JOE WILKSENS

Chrysler may use a V-8 or V-10 in the Viper.

VIPER

Chrysler plans limited-production run to assess feasibility

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS — Chrysler Motors will produce a limited number of Dodge Viper sports cars to assess production feasibility, according to Ken Meade, chairman of the National Dodge Dealer Council.

Meade said the high-visibility sports car project has not received final approval for a complete production run. But Chrysler will produce no more than 100 Vipers to determine costs, production sourcing and other factors, Meade said.

Tom Pappert, Chrysler Motors vice president of sales, declined comment on Meade's remarks.

Chrysler Corp. Chairman Lee Iacocca last week said the company would decide Viper's fate in the second quarter of 1990. Iacocca said if the project is approved 5,000 to 7,000 Viper units would be built annually.

"I would hope to be able to announce we can do it because it's a good car," Iacocca said.

Chrysler introduced the 2-passenger, V-10-powered Viper to the auto show circuit in January 1989 amid enthusiastic approval from the motoring press. Since then, the company has been assessing how much it would cost to produce the car and what effect an increase in government-mandated corporate average fuel economy standards might have on the project.

"If we can pull Viper off, it would give the corporation a boost," Meade said. "An image car is important to any corporation, like Corvette is to Chevrolet."

Meade said no time frame for the limited-production run has been determined. Nor has the company decided what engine will power the Viper.

Correction

Jim Cass is general manager of Al Piemonte Ford in Melrose Park, Ill. His dealership affiliation was listed incorrectly in the City by City roundup in the Feb. 12 issue.

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Big Ford, Mercury

MICHAEL POHL

Ford Motor's full-sized cars will adopt flowing, aerodynamic lines for the 1992 model year. Among the styling differences between the two cars is the more formal roofline on the Mercury Grand Marquis, above. The Ford Crown Victoria roof, right, has a bit of Jaguar flavor. Both cars will be equipped with Ford's new 4.6-liter modular V-8 engine.

INFINITI *Rocks and trees are nice, but new ads will focus on the car and its features*

By David Versical
NATIONAL EDITOR

LAS VEGAS — After a 3-month launch that yielded some surprises about the luxury car business, Infiniti has begun the second phase of its controversial advertising campaign.

The ads were aired in local television markets last week. And this time, they actually show automobiles.

Earlier ads became a national conversation piece by focusing on rocks, trees and surf instead of sheet metal. They have also been the butt of jokes. Comedian Jay Leno, for example, bragged recently to his "Tonight Show" audience that he'd finally seen the new Infiniti — on the side of a milk carton.

For dealer Kjell Qvale, the change was long overdue.

"How anyone would say they'd stay with rocks and trees must have rocks in their head," Qvale said when told that some dealers wanted the campaign to stay.

"We loved the rocks and the trees up to a point, and then we lost them," said Qvale, who owns Van Ness Infiniti in San Francisco. He had high praise for the product but said sales have been slower than expected.

Thomas Mignanelli, executive vice president of operations at Nissan Motor Corp. in U.S.A., insists Infiniti has not been hurt by the jokes. Attention is what counts when you are establishing a name, he maintains, and Nissan's new luxury division has scored very well in awareness surveys.

> "The car is not selling like hot cakes — but we never expected it to."
>
> **Thomas Mignanelli**
> Nissan

But he concedes the campaign has caused some unforeseen problems. Shoppers who would never buy a $23,500 coupe or $38,000 sedan have visited showrooms thinking Infiniti might be for them.

"They came in not knowing what the car would be, not knowing how big it was, not knowing how powerful it was, not knowing what price it was," Mignanelli said. Others had what Mignanelli called "wild expectations."

The result was that the advertising attracted more people than some dealers had time to handle. "One dealer had 600 people visit in a week," Mignanelli said. "If 100 or 200 don't know what the car is, that's a problem."

The second phase of the campaign will do more to tell what the car is. The ads are being shown initially in the 55 television markets where Infiniti now has dealers. Print ads have run nationally.

One TV ad blends views of the Q45 sedan, nature scenes and a list of performance numbers. There are 12 ads in all, each addressing a different virtue. The commercials conclude with the name of the local dealer. Infiniti will begin running the TV spots nationally in coming weeks and will show an 800 phone number instead of the dealer's name.

The campaign will move into another phase in early spring. That, too, will focus on the product, said Infiniti General Manager William R. Bruce. But it will also try to create more brand awareness if it is needed.

Infiniti will add a convertible version of the M30 by late summer. A new sedan, known as G20 and priced below the $23,000 M30 coupe, will follow shortly after.

Mignanelli insists he is not disappointed in the early sales results. Infiniti dealers sold 1,723 cars between the Nov. 8 launch and the end of 1989 and 1,071 last month.

"The car is not selling like hot cakes — but we never expected it to," he said.

Nissan also did not expect the M30 to command 40 percent of sales — and it has. A 70-30 split in favor of the Q45 had been projected originally. Another surprise has been the number of M30 buyers who are women — 42 percent. And the average household income of buyers has been higher than expected — about $150,000 for Q45 and $80,000 for M30.

Infiniti expects to have 70 dealers by the end of March and 85 by the end of the year. The division expects to add about 20 dealerships annually in the next three years.

Finally, the car and its features.

VW AG nears deal on China-built cars

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Volkswagen AG has completed a feasibility study on a joint auto production venture in Changchun, China. It hopes to sign an agreement with Chinese government officials by late summer.

Plans call for construction of a factory that would build 150,000 VW models annually beginning in 1996. The vehicles would be for Chinese and export markets.

VW's partner in the venture is First Automobile Works, which currently assembles Audi 100 kits under a separate deal.

The feasibility study, which was launched in 1988, resulted in a positive recommendation, according to a VW spokesman. He said the report is now in the hands of Chinese auto industry officials in Beijing, who must give final approval.

"Hopefully, we will get approval later this year," the spokesman said. "The optimists think a contract could be signed in August or September."

The size of the investment that would be undertaken has not been released. Neither has VW said which vehicle would be produced, but it is expected to be a version of the Golf subcompact. The current Golf will have been replaced by that time.

VW signed a series of agreements with First Automobile Works in 1988 covering licensing of the Audi 100 and delivery of tools, supplies and parts for local assembly.

Shipment of Audi 100 kits ground to a halt last year pending Chinese approval of hard currency payments. The VW official last week said Audi assembly is now proceeding and "rising steadily."

About 4,500 Audis have been assembled in China to date. Depending on availability of hard currency, another 4,000 to 5,000 are expected to be produced in 1990. Audi assembly is expected to rise to 30,000 annually by 1992.

VW's separate Shanghai Volkswagen Auto Co. Ltd. venture in the city of Shanghai produces the Santana, a notchback version of the previous-generation Passat (Quantum). Santana production last year totaled 17,000, and output of about 20,000 is expected this year.

The VW spokesman said Shanghai VW has just completed its first phase investment of 500 million marks ($298 million) with the completion of new engine, stamping and paint facilities in the city of Anting near Shanghai.

He said the new plants are all operational and scheduled to be dedicated in April. Addition of the facilities will raise Shanghai VW capacity to 30,000 units by the end of 1991.

Toyota 4Runner fares poorly in NHTSA's 35-mph crashes

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Drivers of 4-door Toyota 4Runners are likely to suffer head injuries in head-on accidents at 35 mph, the National Highway Traffic Safety Administration said.

It's also possible that front-seat passengers could be injured, said NHTSA in its latest report on 35-mph crashes. But they face less of a risk than drivers.

Toyota's 4-wheel-drive 4Runner was one of four 1990 vehicles evaluated in the latest round of NHTSA's new-car assessment program. The agency will test 36 vehicles this model year by crashing them into a fixed barrier at 35 mph.

The three passenger cars in the most recent test — the Nazda Miata, Lexus ES250 and Nissan Stanza — all had scores that indicated head injuries to drivers are possible and head injuries to passengers are unlikely. The Miata and the Lexus were equipped with driver-side air bags.

In the test, NHTSA records the potential for head and chest injuries. The lower the score, the less likely an injury. Head injury scores below 750 indicate injury is unlikely; scores of 750 to 1,250 indicate injury is possible; and scores above 1,250 indicate injury is likely.

The 4Runner had a head injury score of 1,306 for the driver and 1,133 for the passenger.

The Miata had a higher driver-side score than two "lightweight" 1990 cars tested previously, the Acura Integra sedan and the Mitsubishi Eclipse coupe. The Miata scored 920. But the car's passenger-side score of 531 was lower than the Integra's and Eclipse's.

35 MPH CRASH TEST
Scores for 1990 new car assessment program

	Protection device	Injury index: Driver	Injury index: Passenger
Mazda Miata	Air bag	920	531
Nissan Stanza	Motorized belts	1,105	629
Lexus ES250	Air bag	992	630
Toyota 4Runner	Belts	1,306	1,133

Potential for head injury is unlikely for scores below 750, possible for scores between 750 and 1,250, and likely for higher scores. SOURCE: NHTSA

Passport to sell Saturns in Canada

TORONTO — General Motors of Canada will sell Saturn cars through its Passport International Automobiles import division. Sales begin in spring 1992, about 18 months after the U.S. debut.

Passport will add a 4-door sport-utility called Rodeo this fall. The Isuzu-based vehicle will be built at Subaru-Isuzu Automotive Inc. in Lafayette, Ind.

Last week, Passport introduced a 2-door version of the Isuzu Impulse. A 4-door model will arrive this fall.

— Alex Law

BEST AVAILABLE COPY

JANUARY TRUCK SALES BY MANUFACTURER AND SEGMENT

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	30,357						30,357	13,278
	YR	30,357						30,357	13,278
DODGE	MO	56,394						56,394	41,899
	YR	56,394						56,394	41,899
JEEP	MO	18,417						18,417	18,797
	YR	18,417						18,417	18,797
TOYOTA	MO	13,532						13,532	15,200
	YR	13,532						13,532	15,200
NISSAN	MO	7,992						7,992	13,947
	YR	7,992						7,992	13,947
MAZDA	MO	5,559						5,559	6,910
	YR	5,559						5,559	6,910
ISUZU	MO	6,759						6,759	6,626
	YR	6,759						6,759	6,626
MITSUBISHI	MO	4,826						4,826	2,377
	YR	4,826						4,826	2,377
SUZUKI	MO	1,373						1,373	2,058
	YR	1,373						1,373	2,058
RANGE ROVER	MO	362						362	495
	YR	362						362	495
DAIHATSU	MO	253						253	0
	YR	253						253	0
FORD	MO	108,801	2,105		442	2,472	1,112	114,932	111,943
	YR	108,801	2,105		442	2,472	1,112	114,932	111,943
FREIGHTLINER	MO						2,102	2,102	1,940
	YR						2,102	2,102	1,940
CHEVROLET	MO	102,184		18	707	599		103,508	90,589
	YR	102,184		18	707	599		103,508	90,589
GMC	MO	26,614		134	270	817		27,835	27,405
	YR	26,614		134	270	817		27,835	27,405
OLDSMOBILE	MO	1,348						1,348	0
	YR	1,348						1,348	0
PONTIAC	MO	1,938						1,938	0
	YR	1,938						1,938	0
KENWORTH	MO					19	1,200	1,219	1,451
	YR					19	1,200	1,219	1,451
MACK	MO				108	144	925	1,177	1,680
	YR				108	144	925	1,177	1,680
MERCEDES-BENZ	MO				40	86		126	148
	YR				40	86		126	148
NAVISTAR	MO		2	8	762	2,514	2,175	5,461	6,287
	YR		2	8	762	2,514	2,175	5,461	6,287
PETERBILT	MO					54	1,133	1,187	1,456
	YR					54	1,133	1,187	1,456
VOLVO/GM HEAVY	MO					66	976	1,042	1,253
	YR					66	976	1,042	1,253
HINO	MO	25		27	35	75		162	164
	YR	25		27	35	75		162	164
NISSAN DIESEL	MO	51		68	27	39		185	121
	YR	51		68	27	39		185	121
ISUZU TRUCK	MO	538	52	24	110	82		806	688
	YR	538	52	24	110	82		806	688
MITSUBISHI FUSO	MO	131		56	16	33		236	202
	YR	131		56	16	33		236	202
SCANIA	MO						10	10	6
	YR						10	10	6
IVECO TRUCKS	MO	89	25	10	9			133	152
	YR	89	25	10	9			133	152
WESTERN STAR	MO						68	68	100
	YR						68	68	100
OTHER DOMESTICS	MO				34	1	52	87	69
	YR				34	1	52	87	69
GRAND TOTAL, 1990	MO	387,543	2,184	345	2,560	7,001	9,753	409,386	387,691
	YR	387,543	2,184	345	2,560	7,001	9,753	409,386	387,691
1989 YR to DATE		342,323	2,519	957	3,329	7,491	11,072		

NOTE: Class 1-3 reported by individual manufacturers. Class 4-8 reported by Motor Vehicle Manufacturers Association.

Heavy-truck sales take January plunge

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — January's heavy-truck sales held few surprises.

Class 8 started 1990 with sales of 9,753 vehicles, a decline of 11.91 percent from last year.

Most industry officials are looking for a dip of 10 to 15 percent in Class 8 sales for the year from the 145,068 trucks sold in calendar 1989.

January is normally a weak month because a lot of truckers like to take delivery of their vehicles in December for tax purposes.

An official with one of the major manufacturers noted, though, that bidding activity is up from the fourth quarter of 1989 as many company managers seek to buy trucks before their budgets are cut.

That could portend slightly stronger-than-anticipated sales in the next few months though, overall, companies are not buying in the volume they did in the early part of last year.

With most officials looking for an upturn in the second half of calendar 1990, factory sales of Class 8s could be stronger than retail sales. Last year, just the opposite was true.

But with field inventories down sharply at year's end, any upturn would force dealers to order heavily from factories to replenish their stock, Frank Prezelski, an analyst with Deutsche Bank of New York, pointed out.

Overall, light, medium and heavy trucks posted a record 409,386 sales in January, up from last year's 367,691, the previous record.

Record light-truck sales of 387,543, up from 342,323 last year, led the industry's surge.

All medium-duty segments were down, including Class 4.

Among Class 8's major players, Mack Trucks Inc. continues to exhibit the greatest weakness. It dropped 23.42 percent in January on sales of 925 heavy trucks.

Most of the other major players also were down sharply from last year's extremely strong January.

Two exceptions were Ford Truck Operations, which posted a 6.72 percent increase on sales of 1,112 Class 8s, and Freightliner Corp., which was up 8.35 percent on sales of 2,102 units.

International "Lo-Profile," right, next to a conventional model

Navistar's Lo-Profile debuts

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Navistar International has introduced a new 4700LP Lo-Profile medium-duty straight truck for specialized segments of the Class 4-6 markets.

The company also said that 73 of its International truck dealers in North America qualified for membership in the Circle of Excellence in 1989, the 10th anniversary of that dealer recognition program.

The 4700LP features Lo-Profile radial tires, 9-inch frame rails, a lower frame height and a patented rear air suspension system that permits height adjustments in loading.

Both the 4700LP and a 4600LP model introduced last year have decks that can be lowered to 24 inches off the ground.

The 4700LP is available in wheelbases of 140 to 254 inches with gross vehicle weights up to 25,500 pounds.

The standard engine is the International DT-360 turbocharged 6-cylinder inline diesel with 170 horsepower. A DTA-360 air-to-air intercooled 185-hp engine is optional.

The 4700LP has a 6,000-pound front axle and a 15,500-pound rear axle as standard equipment. An 8,000-pound front axle and 17,500-pound rear axle are available as options.

A 5-speed manual transmission is standard. Offered as options are two other 5-speed manuals, two 6-speed manuals and one 4-speed automatic transmission.

Robert Shaughnessy, Navistar marketing vice president, listed a variety of vocational applications for Lo Profile models.

The trucks can be spec'd for retail pickup and delivery service, for commercial moving use; and for furniture, beverage, baked goods, food and newspaper delivery, he said.

They can also used by ambulance and rescue services, contractors and utility companies.

Roxanne J. Decyk, Navistar senior vice president, dealer planning and development, said the Circle of Excellence program has grown steadily since its inception.

The company feted winning dealers and their spouses in Maui, Hawaii, in January.

All full-line and medium-duty International truck dealers are considered for membership in the Circle of Excellence, which is based on market performance for trucks and parts, facilities, financial strength and other dealership performance categories.

Sales upturn spurs hike in car output

By Karen Detkowski
SPECIAL CORRESPONDENT

U.S. auto production continued to climb last week.

Assembly cutbacks were lifted as sales increased and inventories dropped. The domestic-car inventory at the end of January represented a 70-day supply, down from the previous month's 92 days.

Last week, automakers scheduled the highest weekly output of this year — 124,561 units, 16.31 percent above the previous week, but 21.05 percent below the year-ago week.

So far this year, 629,734 cars have been produced, 39.65 percent below the year-ago total.

Companies split last week's estimated production as follows: General Motors, 41.38 percent; Ford Motor Co., 25.72 percent; Chrysler Motors, 11.08 percent; Honda of America Manufacturing Inc., 7.19 percent; Toyota Motor Manufacturing U.S.A. Inc., 3.54 percent; New United Motor Manufacturing Inc., 3.29 percent; Mazda Motor Manufacturing (USA) Corp., 3.20 percent; Diamond-Star Motors Corp., 2.24 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.91 percent; and Subaru-Isuzu Automotive Inc., 0.45 percent.

Last week's scheduled truck output of 85,967 increased 13.02 percent over the prior week but was 10.79 percent below the year-ago week.

Year-to-date, 435,959 trucks have been assembled, 30.79 percent below last year's production at this time.

The first Ford Explorer was completed last Wednesday at the Louisville, Ky., truck plant. The plant will assemble both 2-door and 4-door versions of the sport-utility that will replace Bronco II.

Chrysler will postpone indefinite layoffs of 724 workers at its Toledo, Ohio, assembly plant and 750 workers each at the Newark, Del., and the Belvidere, Ill., plants. The layoffs were scheduled for March 26 and have been rescheduled for April 9.

GM's Doraville, Ga., assembly plant was idle last week to adjust inventory of the Oldsmobile Cutlass Supreme. The plant resumes operations today.

All Chrysler and Ford assembly plants in the United States worked last week.

All U.S. assembly plants are expected to operate this week.

Car production jumps in Canada

Last week's scheduled Canadian car production of 24,752 increased 63:79 percent over the previous week and 21.01 percent over the year-ago week.

So far this year, 107,745 cars have been produced, 20.87 percent below last year's tally.

Truck output was scheduled at 19,372, 6.52 percent above the prior week but 13.04 percent below the year-ago week.

Year-to-date, 107,357 units have been assembled, 24.88 percent below 1989 production at this point.

U.S. CAR	Week Ended Feb. 17, 1990	Week Ended Feb. 18, 1989	Week Ended Feb. 10, 1990	Feb. to Date	Jan. 1 to Feb. 17, 1990	Jan. 1 to Feb. 18, 1989
Horizon	0	0	0	818	4,578	0
Sundance	1,800	2,341	1,909	3,709	7,155	17,607
Acclaim	2,200	2,857	0	3,635	7,982	11,723
Total Plymouth	4,000	5,198	1,909	8,161	19,715	29,330
LeBaron A	400	0	0	569	760	0
LeBaron J	300	2,297	0	300	300	16,130
LeBaron GTS	0	384	0	0	0	2,039
N. Yorker C-Class	400	2,760	0	788	1,941	17,314
Fifth Avenue	700	0	0	1,212	2,748	0
Imperial	500	0	0	898	2,124	0
Total Chrysler	2,300	5,441	0	3,766	7,873	35,483
Omni	0	0	0	762	4,308	0
Daytona	200	2,268	0	200	200	16,192
Shadow	2,200	2,569	2,229	4,429	8,379	17,691
Dynasty	3,000	3,619	0	5,209	11,766	22,519
Lancer	0	150	0	0	0	1,279
Spirit	2,100	2,566	0	3,815	9,880	12,473
Total Dodge	7,500	11,172	2,229	14,414	34,533	70,154
CHRYSLER MOTORS	13,800	21,811	4,138	26,342	62,121	134,967
Escort	3,000	5,672	3,000	6,000	14,105	55,754
Mustang	3,727	4,514	3,602	9,512	17,629	29,242
Tempo	3,451	3,277	0	5,397	12,500	24,845
Taurus	8,194	8,073	8,263	21,982	49,931	56,052
Thunderbird	3,414	3,930	0	3,414	10,270	25,791
Total Ford Div.	21,786	25,466	14,865	46,306	104,435	191,684
Topaz	949	1,280	0	1,643	4,194	9,404
Cougar	2,093	3,751	0	2,093	5,040	20,326
Sable	2,308	2,101	2,288	5,380	9,966	18,085
Total Mercury	5,350	7,132	2,288	9,116	19,200	47,815
Continental	1,078	1,393	1,268	2,995	7,069	10,720
Mark VII	554	462	621	1,501	3,517	4,827
Town Car	3,268	2,783	3,787	9,004	21,215	17,591
Total Lincoln	4,900	4,638	5,676	13,499	31,801	33,138
Total L-M Div.	10,250	11,770	7,964	22,616	51,001	80,953
FORD MOTOR CO.	32,036	37,236	22,829	68,921	155,436	272,637
Skyhawk	0	207	0	0	0	2,560
Skylark/Somerset	1,725	1,311	1,745	4,519	8,242	6,195
Century	1,895	1,505	1,867	3,762	7,196	19,175
Riviera	550	633	526	1,419	2,454	4,171
Electra	1,830	1,963	1,480	4,527	11,006	12,734
LeSabre (fwd)	4,120	2,307	4,325	9,493	16,620	6,262
LeSabre (rwd)	175	206	76	251	611	1,393
Reatta	0	170	194	309	910	926
Total Buick	10,295	8,302	10,213	24,280	47,039	53,416
Eldorado	455	766	439	1,157	2,092	4,915
Seville	660	661	651	1,676	2,857	3,834
Brougham (rwd)	1,045	1,050	0	1,683	3,885	7,311
DeVille (fwd)	3,835	4,791	3,119	8,972	15,838	30,403
Allante	90	75	45	165	455	510
Total Cadillac	6,085	7,343	4,254	13,653	25,127	46,973
Cavalier	6,830	8,800	5,992	16,122	26,931	59,522
Camaro	0	2,419	0	0	0	16,506
Celebrity	0	2,968	0	0	0	26,924
Corsica/Beretta	8,320	9,374	8,016	18,640	32,238	61,455
Caprice	1,815	4,691	1,382	4,176	11,294	25,005
Corvette	560	525	560	1,456	2,240	3,423
Total Chevrolet	17,525	28,777	15,950	40,394	72,703	192,835
Calais	1,875	2,279	1,904	4,914	8,938	10,450
Cutlass Ciera	2,075	1,925	2,219	4,294	8,554	11,607
Cutlass Supreme	0	3,533	3,447	5,629	7,084	21,650
Toronado	615	224	617	1,568	2,593	1,951
88 (fwd)	2,005	4,057	1,104	3,900	10,163	26,069
88 (rwd)	115	129	0	195	456	1,240
98	1,445	2,182	1,183	3,422	5,908	13,990
Total Oldsmobile	8,130	14,329	10,474	23,922	43,696	86,957
Sunbird	3,530	3,394	2,988	7,945	11,383	17,977
Grand Am	0	4,986	4,736	7,661	13,986	33,451
Firebird	0	1,631	0	0	0	10,484
Grand Prix	1,873	4,000	1,887	5,824	7,200	19,956
Pontiac 6000	1,585	1,351	1,561	3,146	5,794	13,197
Bonneville	2,525	2,312	2,435	6,056	10,843	13,966
Safari/Parisienne	0	110	0	0	0	743
Total Pontiac	9,513	17,784	13,607	30,632	49,206	109,774
GENERAL MOTORS	51,548	76,535	54,498	132,880	237,771	489,955
DIAMOND-STAR	2,788	683	2,739	7,296	17,837	3,937
HONDA	8,950	8,455	8,758	23,017	58,380	53,997
Civic	2,381	2,830	2,210	5,922	17,794	18,061
Accord	6,569	5,625	6,548	17,094	40,586	35,936
MAZDA†	3,989	4,806	2,885	8,294	22,408	33,622
NISSAN	2,380	2,341	2,365	6,172	15,855	16,044
NUMMI	4,100	3,878	3,951	10,373	26,602	25,377
Corolla	2,100	1,646	2,034	5,329	13,552	11,061
Geo Prizm/Nova	2,000	2,232	1,917	5,044	13,050	14,316
SUBARU-ISUZU*	560	0	560	1,456	3,920	0
TOYOTA	4,410	2,023	4,369	11,375	29,404	12,930
Total Cars, U.S.	124,561	157,768	107,092	296,127	629,734	1,043,466
Total Cars, Canada	24,752	20,454	15,112	53,295	107,745	136,169
U.S., Canada Cars	149,313	178,222	122,204	349,422	737,479	1,179,635
U.S., Canada Cars and Trucks	254,652	296,863	216,453	601,823	1,280,795	1,952,485

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes MX-6, 626, and Ford Probe.
*—Estimated

CANADIAN CAR	Week Ended Feb. 17, 1990	Week Ended Feb. 18, 1989	Week Ended Feb. 10, 1990	Feb. to Date	Jan. 1 to Feb. 17, 1990	Jan. 1 to Feb. 18, 1989
Monaco	0	0	0	0	1,894	0
Premier	0	1,312	0	0	401	7,721
CHRYSLER MOTORS	0	1,312	0	0	2,295	7,721
Tempo	3,840	3,211	0	5,950	14,562	26,142
Topaz	960	1,697	0	1,498	4,006	9,696
Crown Victoria	2,615	2,264	2,604	6,822	11,929	18,711
Grand Marquis	2,260	2,835	2,219	5,501	11,606	19,770
FORD MOTOR CO.	9,675	10,007	4,823	19,770	42,103	74,319
Celebrity	523	210	404	1,166	1,861	1,394
Cutlass Ciera	3,037	4,083	2,866	7,472	11,356	26,440
Lumina	6,595	607	3,198	13,172	21,003	2,169
Regal	1,012	2,315	10	1,575	2,900	12,031
GENERAL MOTORS	11,167	7,215	6,478	23,385	37,120	42,034
HONDA	2,310	1,740	2,179	5,951	15,467	10,890
HYUNDAI*	320	0	320	826	2,190	0
TOYOTA	1,100	0	1,132	2,896	7,348	0
VOLVO	180	180	180	467	1,222	1,205
Total Cars, Canada	24,752	20,454	15,112	53,295	107,745	136,169

U.S. TRUCK	Week Ended Feb. 17, 1990	Week Ended Feb. 18, 1989	Week Ended Feb. 10, 1990	Feb. to Date	Jan. 1 to Feb. 17, 1990	Jan. 1 to Feb. 18, 1989
Caravan	2,400	2,563	2,573	6,765	16,853	15,672
Dakota	1,600	2,242	1,470	3,070	6,279	14,893
Caravan C/V	150	218	159	423	1,066	1,408
Ram pickups	2,300	2,247	2,058	4,358	8,225	14,868
Total Dodge	6,450	7,270	6,260	14,616	32,423	46,841
Cherokee	4,400	5,243	0	7,628	17,814	30,548
Comanche	200	852	0	349	795	5,038
Grand Wagoneer	300	350	0	300	560	2,315
Wagoneer	50	205	0	114	306	1,398
Total Jeep	4,950	6,650	0	8,391	19,475	39,299
Voyager	2,300	2,403	2,154	5,980	15,193	15,436
Town & Country	50	0	82	185	495	0
Total C-P Div.	2,350	2,403	2,236	6,165	15,688	15,436
CHRYSLER MOTORS	13,750	16,323	8,496	29,172	67,586	101,576
Explorer	129	0	79	129	129	0
Aerostar	4,000	4,838	3,750	10,150	18,950	33,024
Bronco	1,189	2,118	1,181	3,078	6,751	13,504
Bronco II	2,283	3,274	2,450	6,369	14,534	19,739
Econoline	4,197	5,216	4,210	8,407	19,140	35,092
Mediums/Heavies	1,046	1,483	9,427	11,106	15,629	9,154
Light trucks	9,436	11,615	6,125	21,212	51,542	78,272
Ranger	5,780	8,448	6,125	15,639	32,222	51,981
Total Ford Div.	28,060	36,992	33,347	76,090	158,897	240,766
FORD MOTOR CO.	28,060	36,992	33,347	76,090	158,897	240,766
Astro	2,987	4,190	0	4,420	8,085	23,838
Blazer	362	583	381	964	1,629	3,933
Lumina APV	2,285	0	2,231	5,603	12,043	0
Mediums/Heavies	283	0	326	802	2,074	0
P-Model	627	715	638	1,633	2,836	3,369
Pickups	8,257	8,949	7,137	17,344	32,048	64,545
S-10	5,166	5,870	3,010	11,831	30,231	41,545
S-10 Blazer	3,247	3,864	1,893	6,863	9,766	26,119
Sportsvan/Van	1,617	2,112	1,493	3,110	3,110	12,054
Suburban	1,675	1,738	1,455	3,943	5,902	11,090
Total Chevrolet	26,506	28,021	18,564	56,513	107,724	186,493
Jimmy	116	243	161	383	602	1,246
Mediums/Heavies	449	0	371	1,040	2,230	0
P-Model	73	143	64	160	293	574
Pickups	1,580	2,703	2,418	4,988	9,786	19,591
S-15	1,534	1,435	770	2,879	7,244	9,361
S-15 Jimmy	1,225	839	595	2,353	3,357	7,295
Safari	773	1,036	0	1,589	3,011	5,945
Suburban	656	729	720	1,851	2,867	4,398
Vandura/Rally Vans	843	555	715	1,558	1,558	3,439
Total GMC	7,249	7,683	5,814	16,802	30,948	51,849
Olds Silhouette	575	0	533	1,468	3,997	0
Pontiac Trans Sport	1,120	0	1,024	2,891	8,289	0
GENERAL MOTORS	35,450	35,704	25,935	77,674	150,958	238,342
NAVISTAR	1,637	1,828	1,239	3,871	10,069	11,589
NISSAN	3,060	2,768	3,035	7,915	20,379	18,961
SUBARU-ISUZU*	560	0	560	1,456	3,920	0
AM GENERAL*	450	450	450	1,170	3,150	3,060
MISCELLANEOUS*	3,000	2,300	3,000	7,800	21,000	15,640
Total Trucks, U.S.	85,967	96,365	76,062	205,149	435,959	629,934

CANADIAN TRUCK	Week Ended Feb. 17, 1990	Week Ended Feb. 18, 1989	Week Ended Feb. 10, 1990	Feb. to Date	Jan. 1 to Feb. 17, 1990	Jan. 1 to Feb. 18, 1989
Caravan	3,258	3,208	3,352	8,559	22,445	22,121
Caravan C/V	204	206	201	530	1,410	1,412
Ram Wagon	464	687	657	1,516	2,366	4,658
Ram Van	1,118	1,718	1,473	3,482	5,620	11,840
Total Dodge	5,044	5,819	5,683	14,088	31,841	40,031
Voyager	2,682	2,868	2,752	7,108	18,771	18,877
Total Plymouth	2,682	2,868	2,752	7,108	18,771	18,877
Wrangler	1,500	1,836	0	1,500	1,500	9,589
Total Jeep	1,500	1,836	0	1,500	1,500	9,589
CHRYSLER MOTORS	9,226	10,523	8,435	22,696	52,112	68,497
FORD MTR. (lt. trks.)	3,116	3,553	3,128	7,883	17,274	23,725
Light trucks	3,380	3,858	3,438	8,512	22,388	23,608
Vans	1,435	1,453	1,064	2,499	2,501	10,090
Total Chevrolet	4,815	5,311	4,502	11,011	24,889	33,698
Light trucks	1,500	1,933	1,411	4,115	10,692	11,028
Vans	515	683	511	1,026	1,027	4,393
Total GMC	2,015	2,616	1,922	5,141	11,719	15,421
GENERAL MOTORS	6,830	7,927	6,424	16,152	36,608	49,119
NAVISTAR	200	273	200	521	1,363	1,575
Total Trks., Canada	19,372	22,276	18,187	47,251	107,357	142,916
U.S., Canada Trks.	105,339	118,641	94,249	252,401	543,316	772,850

*—Estimated
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.